



Oil Spill Liability Trust Fund Disbursements for FY 2017

Report to Congress
November 08, 2018



U. S. Coast Guard

Foreword

I am pleased to present the following report, “Oil Spill Liability Trust Fund Disbursements for FY 2017,” which has been prepared by the U.S. Coast Guard.

The *Coast Guard Authorization Act of 2010* directs the Commandant to submit the list of disbursements of \$250,000 or more from the Oil Spill Liability Trust Fund and a description of how such funds were used.

Pursuant to Congressional requirements, this report is being provided to the following members of Congress:

The Honorable John Thune
Chairman, Senate Committee on Commerce, Science, and Transportation

The Honorable Bill Nelson
Ranking Member, Senate Committee on Commerce, Science, and Transportation

The Honorable Bill Shuster
Chairman, House Committee on Transportation and Infrastructure

The Honorable Peter DeFazio
Ranking Member, House Committee on Transportation and Infrastructure.

I am happy to answer any further questions you may have, or your staff may contact my Senate Liaison Office at (202) 224-2913 or House Liaison Office at (202) 225-4775.

Sincerely,



Karl L. Schultz
Admiral, U. S. Coast Guard
Commandant





Oil Spill Liability Trust Fund Disbursements for FY 2017

Table of Contents

I.	Legislative Language	1
II.	Background	2
III.	OSLTF Disbursements for Pollution Incidents	3
IV.	Pipeline and Hazardous Materials Safety Administration Disbursements	5
V.	Bureau of Safety and Environmental Enforcement Disbursements	6
VI.	Environmental Protection Agency	7
VII.	Coast Guard Disbursements	7

I. Legislative Language

This report responds to the language set forth in the *Coast Guard Authorization Act of 2010* (Pub. L. No. 111-281 § 708), which requests a list of disbursements of \$250,000 or more from the OSLTF and a description of how such funds were used per the following:

SEC. 708. USE OF OIL SPILL LIABILITY TRUST FUND.

(b) AUDITS; ANNUAL REPORTS.—Section 1012 of the *Oil Pollution Act of 1990* (33 U.S.C. 2712) is amended—

...

(2) by adding at the end thereof the following:

__“(1) REPORTS.—

__“(1) IN GENERAL. —Within one year after the date of enactment of the Coast Guard Authorization Act of 2010, and annually thereafter, the President, through the Secretary of the Department in which the Coast Guard is operating, shall —

__“(A) provide a report on disbursements for the preceding fiscal year from the Fund, regardless of whether those disbursements were subject to annual appropriations, to —

__“(i) the Senate Committee on Commerce, Science, and Transportation; and

__“(ii) the House of Representatives Committee on Transportation and Infrastructure; and

__“(B) make the report available to the public on the National Pollution Funds Center Internet website.

__“(2) CONTENTS.—The report shall include—

__“(A) a list of each disbursement of \$250,000 or more from the Fund during the preceding fiscal year; and

__“(B) a description of how each such use meets the requirements of subsection (a).

__“(3) AGENCY RECORDKEEPING.—Each Federal agency that receives amounts from the Fund shall maintain records describing the purpose for which such funds were obligated or expended in such detail as the Secretary may require for purposes of the report required under paragraph (1).”

II. Background

This report is the eighth submission of disbursements from the Oil Spill Liability Trust Fund (OSLTF). The report addresses disbursements from the OSLTF of \$250,000 or more during Fiscal Year (FY) 2017 and how each use meets the requirements of Section 1012(a) of the *Oil Pollution Act of 1990* (OPA). Section III of this report provides the pollution incident spill-specific disbursements reported by the Department of Homeland Security/Coast Guard's National Pollution Funds Center (NPFC). Sections IV through VII provide detail for annual Congressional appropriations derived from the OSLTF. These figures presented reflect data provided by the Department of Transportation (DOT), the Department of the Interior (DOI), the Environmental Protection Agency (EPA), and the Coast Guard.

The OSLTF is the federal funding source for oil pollution prevention, response, and compensation under the OPA. The OSLTF is also a source of annual appropriations to federal agencies responsible for implementing, administering, and enforcing various oil pollution prevention programs under OPA and section 311 of the *Federal Water Pollution Control Act* (FWPCA).

As each reporting agency's accounting structure differs, the supporting tables in each section are not uniform. Nonetheless, each reporting agency affirms the accuracy of the information displayed.

III. OSLTF Disbursements for Pollution Incidents

- a. Oil Removal Disbursements – Section 1012(a)(1) of the *Oil Production Act of 1990* provides for use of the Fund for the payment of oil removal costs by federal authorities. OPA section 6002(b) makes up to \$50 million available annually to carry out federal oil removal under section 311(c) of the FWPCA and to initiate the assessment of natural resource damages. Amounts are available until expended and are administered by the NPFC. NPFC provides funding to EPA and Coast Guard Federal On-Scene Coordinators (FOSCs) acting under FWPCA section 311(c) authority. FOSCs coordinate agency removal actions through contracts with commercial entities and interagency agreements with federal, state, and local response partners. Table 1 includes all OSLTF removal disbursements greater than or equal to \$250,000 for FY 2017. To avoid the duplicative reporting of removal disbursements, the figures reported below are not included in the data provided by the recipient agencies.

Table 1: Oil removal disbursements for FY 2017

Case Name - Federal Project Number	Recipient of Funds	Amount of Expenditure	Description of Funds Use
PSE&G/CONED DIELECTRIC SPILL - B17001	Miller Environmental Group Inc. <i>(16 disbursements > \$250K)</i>	\$4,859,315.70	Removal Cost - OPA 1012(a)(1)
ABANDONED CANNERY - J18009	Alaska Chadux Corp. <i>(6 disbursements > \$250K)</i>	\$3,860,885.31	Removal Cost - OPA 1012(a)(1)
DEEPWATER HORIZON - N10036	Dept. of Interior; Fish & Wildlife Service <i>(3 disbursements > \$250K)</i>	\$2,635,027.40	Removal Cost - OPA 1012(a)(1)
TUG TUTAHACO – M17025	T and T Marine Salvage Inc. <i>(4 disbursements > \$250K)</i>	\$2,278,947.64	Removal Cost - OPA 1012(a)(1)
PSE&G/CONED DIELECTRIC SPILL - B17001	Gallagher Marine Systems LLC. <i>(6 disbursements > \$250K)</i>	\$1,875,975.81	Removal Cost - OPA 1012(a)(1)
ABANDONED CANNERY - J18009	Global Diving and Salvage Inc. <i>(2 disbursements > \$250K)</i>	\$1,755,669.07	Removal Cost - OPA 1012(a)(1)
SPIRIT OF SACRAMENTO - A16024	Global Diving and Salvage Inc.	\$1,089,710.79	Removal Cost - OPA 1012(a)(1)
CANNERY PIER HOTEL- S18010	Global Diving and Salvage Inc.	\$912,155.71	Removal Cost - OPA 1012(a)(1)
AKUTAN - J18001	Resolve Marine Group Inc. <i>(2 disbursements > \$250K)</i>	\$871,183.57	Removal Cost - OPA 1012(a)(1)
M/V AKUTAN - J17021	Resolve Marine Group Inc.	\$820,170.10	Removal Cost - OPA 1012(a)(1)
GOBLE SITE - S17019	NRC Environmental Services Inc.	\$632,725.49	Removal Cost - OPA 1012(a)(1)
DEEPWATER HORIZON - N10036	Dept. of Commerce; NOAA	\$628,274.55	Removal Cost - OPA 1012(a)(1)
B.NO. 255 - N18009	Marine Spill Response Corp.	\$622,375.00	Removal Cost - OPA 1012(a)(1)
F/V DAWN - G17002	U P Environmental Services Inc.	\$386,008.31	Removal Cost - OPA 1012(a)(1)
F/V MISS DESTINEE - J17015	Global Diving and Salvage Inc.	\$385,601.86	Removal Cost - OPA 1012(a)(1)
SOUTHERN BELL - N18008	Laredo Construction Inc.	\$315,745.19	Removal Cost - OPA 1012(a)(1)
STACKYARD HOLLOW - E14302	West Virginia Dept. of Environmental Protection	\$315,620.65	Removal Cost - OPA 1012(a)(1)

Case Name - Federal Project Number	Recipient of Funds	Amount of Expenditure	Description of Funds Use
BATEMAN LAKE - N17024	Environmental Safety and Health Consulting Services Inc.	\$287,967.22	Removal Cost - OPA 1012(a)(1)
TUG ROBIN LYNN - G18002	T and T Marine Salvage, Inc.	\$252,647.16	Removal Cost - OPA 1012(a)(1)
EPA FOSC Inland Zone Cases	<i>Note:</i> The USCG completed 19 advance draw-down transactions exceeding \$250K with EPA during FY 2017. This activity reflects disbursements approved by EPA Federal On Scene Coordinators (FOSC) for federal response efforts.	\$9,516,868.15	Removal Cost - OPA 1012(a)(1)
	Total	\$34,302,874.68	

- b. Claims Payments – Section 1012(a)(4) of the *Oil Production Act of 1990* provides that funds shall be available from the OSLTF for the payment of claims in accordance with OPA section 1013 for uncompensated removal costs or uncompensated damages. Table 2 includes all OSLTF claim disbursements greater than or equal to \$250,000 for FY 2017.

Table 2: OSLTF claims disbursements greater than or equal to \$250,000 for FY 2017

Case Name - Federal Project Number	Recipient of Funds	Amount of Expenditure	Description of Funds Use
T/B BOSTON 30 - B13013	Freehill, Hogan and Mahar LLP	\$8,352,718.14	Claim Payment - OPA 1012(a)(4)
T/B EMC 423 - G05002	Great American Insurance Company	\$4,349,521.29	Claim Payment - OPA 1012(a)(4)
F/V LONE STAR - J13014	Resolve Marine Group, Inc.	\$1,583,964.48	Claim Payment - OPA 1012(a)(4)
D AND L ENERGY - E13505	Tom's Sewer, Drain and Heavy Duty Industrial Service	\$600,363.81	Claim Payment - OPA 1012(a)(4)
GARDEN ISLAND BAY - 915081	Oil Mop, LLC	\$536,438.09	Claim Payment - OPA 1012(a)(4)
BAYOU TECHE OIL SPILL- E16608	American Pollution Control Corporation	\$403,627.28	Claim Payment - OPA 1012(a)(4)
SOCO TANKER TRUCK - E16901	NRC Environmental Services, Inc.	\$374,270.77	Claim Payment - OPA 1012(a)(4)
F/V LONE STAR - J13014	Trident Seafood Corporation	\$304,110.02	Claim Payment - OPA 1012(a)(4)
T/V ATHOS I - P05005	New Jersey Department of Human Services	\$275,042.01	Claim Payment - OPA 1012(a)(4)
	Total:	\$ 16,780,055.89	

- c. Initiate Payments - NPFC also provides funding from these available amounts as authorized by OPA 1012(a)(2) to federal, state, or tribal trustees that initiate natural resource damage assessments. For FY 2017, the disbursement greater than or equal to \$250,000 for initiation of natural resource damage assessments is shown below.

Table 3: OSLTF initiate disbursements greater than or equal to \$250,000 for FY 2017

Case Name - Federal Project Number	Recipient of Funds	Amount of Expenditure	Description of Funds Use
DEEPWATER HORIZON - N10036	Dept. of Commerce; NOAA	\$371,046.34	Initiate Payment - OPA 1012(a)(2)
	Total:	\$371,046.34	

IV. Pipeline and Hazardous Materials Safety Administration Disbursements

In FY 2017, DOT’s Pipeline and Hazardous Materials Safety Administration (PHMSA) received \$23,500,000 from the OSLTF, as authorized by section 1012(a)(5) of *Oil Production Act of 1990*. Table 4 includes all OSLTF disbursements greater than or equal to \$250,000 for FY 2017.

Table 4: PHMSA OSLTF disbursements greater than or equal to \$250,000 for FY 2017

Recipient of Funds	Amount of Expenditure	Description of Fund Use
TEXAS RAILROAD COMMISSION	\$1,296,181.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CALIFORNIA STATE FIRE MARSHAL	\$1,268,062.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
TEXAS RAILROAD COMMISSION	\$1,141,150.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CALIFORNIA STATE FIRE MARSHAL	\$763,440.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
NEW YORK PUBLIC SERVICE COMMISSION	\$761,135.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
TEXAS RAILROAD COMMISSION	\$647,818.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
TEXAS RAILROAD COMMISSION	\$614,008.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CATAPULT TECHNOLOGY LTD	\$609,852.81	Information technology to support pipeline safety mission for carrying out inspection and enforcement activities in a data-driven organization.
CYCLA CORPORATION	\$518,320.35	To support integration for inspection, strategy performance management, enforcement, operator qualifications, and other statutory issues.
STATE OF MINNESOTA	\$508,206.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CYCLA CORPORATION	\$471,983.84	To support integration for inspection, strategy performance management, enforcement, operator qualifications, and other statutory issues.
ELECTRICORE, Inc.	\$458,600.00	In support of research addressing the Interagency Coordinating Committee on Oil Pollution Research (ICOPR) Standing Research Area of “Prevention” for onshore pipelines.

Recipient of Funds	Amount of Expenditure	Description of Fund Use
COMMONWEALTH OF VIRGINIA	\$453,789.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CYCLA CORPORATION	\$432,428.35	To support integration for inspection, strategy performance management, enforcement, operator qualifications, and other statutory issues.
CYCLA CORPORATION	\$295,969.93	To support integration for inspection, strategy performance management, enforcement, operator qualifications, and other statutory issues.
GUIDENT TECHNOLOGIES, Inc.	\$295,457.98	Information technology to support pipeline safety mission for carrying out inspection and enforcement activities in a data-driven organization.
ELECTRICORE, Inc.	\$286,400.00	In support of research addressing the ICCOPR Research Area of "Prevention" for onshore pipelines.
STATE OF MINNESOTA	\$284,717.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CATAPULT TECHNOLOGY LTD	\$279,737.32	Information technology to support pipeline safety mission for carrying out inspection and enforcement activities in a data-driven organization.
CYCLA CORPORATION	\$278,078.65	To support integration for inspection, strategy performance management, enforcement, operator qualifications, and other statutory issues.
CYCLA CORPORATION	\$274,610.29	To support integration for inspection, strategy performance management, enforcement, operator qualifications, and other statutory issues.
CATAPULT TECHNOLOGY LTD	\$253,361.25	Information technology to support pipeline safety mission for carrying out inspection and enforcement activities in a data-driven organization.
GUIDENT TECHNOLOGIES, Inc.	\$250,000.00	Information technology to support pipeline safety mission for carrying out inspection and enforcement activities in a data-driven organization.
Total	\$12,443,306.77	

V. Bureau of Safety and Environmental Enforcement Disbursements

In FY 2017, the DOI's Bureau of Safety and Environmental Enforcement (BSEE) received \$14,899,000 from the OSLTF, as authorized by section 1012(a)(5) of *Oil Production Act of 1990*. Table 5 includes all OSLTF disbursements greater than or equal to \$250,000 for FY 2017.

Table 5: BSEE OSLTF disbursements greater than or equal to \$250,000 for FY 2017

Recipient of Funds	Amount of Expenditure	Description of Funds Use
Oil Spill Response Research (Contracts)	\$9,252,050.74	BSEE's use of the OSLTF: The OSLTF disbursements to BSEE for FY 2017 meet the requirements authorized under section 1012(a)(5) of the Oil Pollution Act (OPA) of 1990 (33 USC 2712(a)(5)). The use of the funds under section 1012 (a)(5) are for Federal administrative, operations, and personnel costs and expenses reasonably necessary for and incidental to the implementation, administration, and enforcement of OPA. BSEE's use of OSLTF includes Oil Pollution Research, operation and maintenance of Ohmsett, regulation and enforcement of oil spill response plans, and personnel costs.
Ohmsett - National Oil Spill Response Research Test Facility (Contracts)	\$1,616,939.45	
Oil Spill Response Division - All Regions & Units (Salary)	\$ 2,732,275.14	
Total	\$ 13,601,265.33	

VI. Environmental Protection Agency

In FY 2017, EPA received \$18,209,000 from the OSLTF as authorized by section 1012(a)(5) of *Oil Production Act of 1990*. EPA did not have any disbursements in FY 2017 greater than or equal to \$250,000.

VII. Coast Guard Disbursements

The Department of Homeland Security-United States Coast Guard received \$45,000,000 from the OSLTF for three different appropriations: Research, Development, Test, and Evaluation (RDT&E); Acquisition, Construction, and Improvement (AC&I); and Operating Expenses (OE).

- a. RDT&E - \$500,000 in RDT&E funds were derived from the OSLTF to be executed in accordance with section 7001(c) of the *Oil Production Act of 1990*. For FY 2017, the disbursement greater than or equal to \$250,000 from the RDT&E appropriation is shown below.

Table 6: RDT&E appropriation disbursements from the OSLTF greater than or equal to \$250,000 for FY 2017

Recipient of Funds	Amount of Expenditure	Description of Funds Use
Marine Mobility	\$266,500.00	RDT&E funds derived from the OSLTF were executed in accordance with section 7001(c) of OPA under the Maritime Pollution Enforcement and Response mission to evaluate and test maritime communication solutions for use in the Arctic, continue development and testing of the next generation Arctic navigation safety information system with private and public partnerships, plan and lead Arctic Shield multi-agency and academic technology demonstrations, continue to develop spill response technology concepts for ice environments, and develop safe environmental parameters for Coast Guard personnel operating on ice.
Total	\$266,500.00	

- b. AC&I – \$20,000,000 in AC&I funds were derived from the OSLTF for the costs of assets for administering and enforcing OPA and subsections (b), (c), (d), (j), and (l) of section 311 of the FWPCA with respect to prevention, removal, and enforcement related to oil discharges. The OSLTF funding augments the full appropriation and was not intended to completely fund the Marine and Environmental Protection (MEP) mission. An allocation methodology was used to determine the amount of the FY 2017 AC&I funds that benefitted the provisions of OPA. MEP activities are the category of Coast Guard operations that directly supports the *Oil Production Act of 1990*. Table 7 below includes an allocation of OSLTF disbursements greater than or equal to \$250,000 for FY 2017.

Table 7: Coast Guard AC&I disbursements greater than or equal to \$250,000 from OSLTF for FY 2017

Recipient of the Funds	Transaction Type	Amount of Expenditure	Description of Fund Use
Aircraft	HC-27J Conversion/Sustainment Project	\$5,320,000.00	Maritime Pollution Enforcement and Response – In conjunction with visual surveillance, the HC-27J suite is employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil-covered water.
Aircraft	HH-65 Conversion and Sustainment Projects	\$4,120,000.00	Maritime Pollution Enforcement and Response – Visual surveillance and the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) suite on the HH-65 are employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil-covered water.
Vessel & Critical Infrastructure	In-Service Cutter Sustainment	\$1,800,000.00	Maritime Pollution Enforcement and Response –The In-Service Cutter Sustainment work includes replacement of major equipment that degrades the operational readiness classes of cutters. This work improved the CG's ability to minimize damage caused by oil released into navigable waters, and overcome or reduce threats to the marine environment caused by potential spills of oil.
Personnel & Related Support	Direct Personnel	\$1,680,000.00	The payment of Federal administrative and personnel costs and expenses reasonably necessary for and incidental to the implementation, administration, and enforcement of the act.
Aircraft	HC-130J Acquisition/Conversion/Sustainment Projects	\$2,100,000.00	Maritime Pollution Enforcement and Response – Visual surveillance and the side-looking radar on the HC-130 are employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil-covered water, while the electro-optical/infrared sensor can detect the small temperature variations between clear and oil-covered water.
Shore Facilities & Aids to Navigation (ATON)	Major Acquisitions System Infrastructure	\$1,160,000.00	This program supports shore facility infrastructure modifications, upgrades, and new construction associated with homeporting new or modified cutters, boats, and aircraft. The program also supports infrastructure modifications, upgrades, and new construction to provide logistics, maintenance, and training support for new or modified cutters, boats, and aircraft. The projects supported by this request contribute to long range plans and directly support operational units charged with marine pollution prevention and response.
Aircraft	HC-144A Conversion and Sustainment Projects	\$1,040,000.00	Maritime Pollution Enforcement and Response – In conjunction with visual surveillance, the HC-144A C4ISR suite is employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil covered water.
Shore Facilities & ATON	Major Shore, ATON, and Survey & Design	\$1,020,000.00	This funding supports Coast Guard shore facility infrastructure, which includes recapitalizations, modifications, upgrades, and new construction associated with execution of Coast Guard operations by cutters, boats, and aircraft, as well as shore forces, command and control, logistics, training, and personnel support. The projects supported by this request contribute to long range plans and directly support operational units charged with marine pollution prevention and response.
Other	C4ISR	\$700,000.00	Maritime Pollution Enforcement and Response - C4ISR is the eyes, ears, and cognitive recognition system allowing the Coast Guard to see, hear, comprehend, and communicate what is happening in maritime regions. Operators employ modern electronic components, such as interoperable radio and satellite communication systems and improved optical/radar sensors, to improve sightings in total darkness and detect maritime targets in all weather conditions.
Other	Government Program Management	\$560,000.00	The payment of Federal administrative and personnel costs and expenses reasonably necessary for and incidental to the implementation, administration, and enforcement of the act.
Total		\$19,500,000.00	

- c. OE - The Coast Guard OE Appropriation received \$24,500,000 from the OSLTF in FY 2017. The funds were used for administrative, operational, and personnel costs and expenses of administering and enforcing the *Oil Production Act of 1990* and subsections (b), (c), (d), (j), and (l) of section 311 of the FWPCA with respect to prevention, removal, and enforcement related to oil discharges. The Coast Guard budgets by appropriation rather than individual missions and the MEP mission encompasses these activities. To estimate mission costs the Coast Guard projects resource allocations by mission using an activity-based costing system. Table 8 includes an allocation of OSLTF disbursements greater than or equal to \$250,000 for 2017.

Table 8: Coast Guard Operating Expense disbursements greater than or equal to \$250,000 from OSLTF for FY 2017

Recipient of Funds	Amount of Expenditure	Description of Funds Use
COAST GUARD OE - <i>Response</i>	\$10,019,000.00	Report activities which endeavor to minimize the damage caused by oil discharged in the marine environment by providing coordinated action in response to discharge or substantial discharge of oil into U.S. waters.
COAST GUARD OE - <i>Recovery</i>	\$8,397,000.00	Report activities directed at abatement of discharged oil to marine environmental protection laws by Coast Guard personnel.
COAST GUARD OE - <i>Preparedness</i>	\$2,171,000.00	Report activities directed at readiness related to the discharge of oil and activities directed at responding to marine environmental protection laws.
COAST GUARD OE - <i>Pollution Investigation</i>	\$1,998,000.00	Report activities directed at investigating the discharge of oil and activities directed at responding to marine environmental protection laws.
COAST GUARD OE - <i>Enforcement</i>	\$1,915,000.00	Report activities directed at prevention of discharge of oil and activities directed at enforcement of marine environmental protection laws (excluding MARPOL agreements - non-OPA activity).
Total	\$ 24,500,000.00	